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SUBJECT: SWEDEN SCENESETTER FOR CODEL TANNER

Introduction

¶1. The U.S. Embassy in Stockholm warmly welcomes your visit to Sweden, the first Congressional delegation to travel here since Rep. Larson of Connecticut visited in September 2007. The United States and Sweden share a strong and abiding relationship built on a foundation of shared values, cultural ties, trade and investment, and a commitment to resolving global problems such as climate change. The Government of Sweden places high importance on strengthening transatlantic ties and cooperation, especially in the run up to its EU Presidency (July-December 2009). As a small nation that has sought for two centuries to avoid armed conflict, Sweden believes its interests are best projected through multilateral agreements in international institutions, and thus focuses its foreign policy efforts within the frameworks of the UN, the European Union (EU), and other multilateral fora. At the same time, Sweden is a strong NATO partner, with troops under NATO command in Kosovo and in Afghanistan (where Sweden now has 400 troops and is deploying 100 more later this year).

¶2. In your meetings with Members of Parliament and government officials, we recommend that your main message focus on thanking Sweden for its contributions in Afghanistan -- both foreign assistance and military -- and urging them to do more, including by leading EU efforts to staff fully the EUPOL police mission.

Political and Economic Overview

¶3. Prime Minister Reinfeldt leads a four-party, center-right governing coalition that, in 2006, turned out the Social Democrats who had governed Sweden for most of the 20th century. Jockeying has already begun for the 2010 parliamentary elections, with the governing coalition remaining strong in the polls. The public focus over the next year will remain on the financial crisis and employment. Most foreign policy issues, including NATO relations, are not in the front of the voters' minds. The financial crisis hit Swedish industry hard, and Swedish banks are suffering from extensive credit exposure in the Baltic states and Ukraine. Swedish Minister of Finance Anders Borg predicts the unemployment rate will continue to rise until it hits 11.7 percent in 2011. Sweden will not stimulate the domestic market, as it needs to retain a substantial safety margin in the event the financial crisis deteriorates further. Right now, the energies of the Ministry of Foreign Affairs (MFA) are focused on the EU presidency.

EU Presidency Priorities

¶4. Sweden is now finessing its policy goals for its EU presidency, to be officially revealed this June. The government has already publicly discussed main themes, which include: climate change, EU enlargement and the Eastern

Partnership, and harmonizing EU visa and asylum policies.

-- Climate Change: Climate change will be PM Reinfeldt's top priority, with the goal of reaching a binding international agreement at the 15th Conference of the Parties (COP 15) to be held in Copenhagen this December, near the end of the Swedish presidency. Key elements should involve clean-tech transfers and participation by India and China to reduce carbon emissions. Your interlocutors will be interested in hearing your views on U.S. plans for the COP 15.

-- EU Enlargement: This is a major issue for Foreign Minister Carl Bildt, who wants to ensure EU enlargement continues on schedule. Sweden strongly supports membership for Turkey and wants to ensure the accession process moves forward. President Obama's comments on the strategic importance of Turkey joining the EU were warmly welcomed here (in contrast to France). Bildt also wants talks with Moldova, Bosnia-Herzegovina, Serbia and Kosovo to continue, with the latter three proceeding together towards membership. Bildt is actively negotiating with key actors in the Western Balkans to resolve territorial disputes, including the border dispute between Croatia and Slovenia; the Swedes hoped Croatia would join the EU during their Presidency, but the lack of progress on the border issue has dampened expectations. Your MFA interlocutors will be especially interested in U.S. thinking on ways to keep Turkish EU accession on track, and on the challenges of Muslim integration in Europe.

-- The Eastern Partnership (EaP): A Swedish-Polish initiative, the EaP is scheduled to be implemented during the Swedish presidency. It is an agreement between the EU and

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Ukraine, Moldova, Belarus, Azerbaijan, Armenia and Georgia. The Partnership aims to go beyond the current EU Neighborhood Policy to deepen bilateral cooperation and integration, including the possibility of cooperating on security, migration, economic, environmental and social issues. The goal of the EaP is to give these former Soviet republics the opportunity to have a partnership with the EU similar to what Norway has: select membership benefits without the membership card. The Swedes are concerned about Russian FM Lavrov's recent criticisms that the EaP is an effort by the EU to expand its "sphere of influence."

-- Refugees and Migration: The EU's "Hague Program" on migration and asylum will end in 2009 and Sweden already has taken the lead within the EU in developing a new five-year "Stockholm Program" that will aim to further harmonize EU asylum and migration policies, leading to a common European migration and asylum system. During 2006-07, Sweden accepted some 40,000 Iraqi refugees for resettlement -- nearly as much as the rest of Europe and United States combined. Swedes want to see other EU Members States do their share.

Non-Alignment and NATO

15. In 2007, Sweden's Parliamentary Defense Commission (an influential high-level advisory group that includes representative of all seven parliamentary parties as well as think tankers and retired senior government officials) presented a report on Sweden's security that included a significant abandonment of traditional non-alignment language. The report states that "Sweden will not stay passive if a catastrophe or an attack would strike another EU member state or another Nordic country. We expect these countries to act the same way if Sweden were to be attacked."

After reviewing the report, Bildt wrote in his blog that "With this, option of neutrality is removed from every reasonable case.... The ground is prepared for security policy cooperation not least in Northern Europe but also within the EU and with NATO."

¶6. Of the four parties in the center-right governing coalition, the Moderates (including your primary interlocutor, MP Karin Enstrom) and Liberals are pro-NATO; the Christian Democrats are abandoning their NATO agnosticism; and the Center Party -- the second largest in the coalition -- will go along only if the opposition Social Democrats do. An agreement dating from 2002 binds the main political parties to making no move on joining NATO without consensus of the others. This gives the opposition Social Democrats a veto - which they are exercising. The Swedish public, in general, remains skeptical of NATO, but poll numbers show support for NATO membership slowly rising, especially after Russia's invasion of Georgia last August. PM Reinfeldt and Defense Minister Sten Tolgfors have made clear that NATO membership is not on the agenda during the government's current term of office, but the implicit conclusion of this is that if the center-right alliance has a second term in office beginning in 2010, then the question of NATO membership might surface again. Tolgfors put forward the conditions for a formal NATO application: political consensus (i.e., Social Democrats on board), public acceptance, and not without Finland.

¶7. Although Sweden is not a member of NATO, the current government and most of the defense and security establishment understands the essential role NATO has played in guaranteeing a Europe "whole, free and at peace." Sweden has taken part in NATO's Partnership for Peace since 1994, and it participated in peacekeeping operations in Bosnia under NATO command. The Reinfeldt government has expanded cooperation with NATO in multiple arenas; for example, it has expanded its diplomatic mission to NATO and Sweden will host nine other NATO and non-NATO air forces in the "Loyal Arrow" live-fire air combat exercise during June 8-18.

Afghanistan Contributions/ISAF

¶8. Within the framework of ISAF, Sweden leads a Provincial Reconstruction Team (PRT) in four northern provinces in Afghanistan. There are currently 400 troops stationed in the PRT, which is headquartered in Mazar-e-Sharif. Sweden plans to deploy another 100 before year's end. Three Swedish policemen and six advisors are currently assigned to EUPOL, the EU's police training program in Afghanistan, and this commitment will likely double in 2009. Sweden supports the training of the Afghanistan National Army (ANA) by providing one Operational Mentoring and Liaison Team (OMLT), and will contribute a second in late fall. For the summer elections, Sweden will send a C-130 Hercules aircraft with support crew for ISAF HQ's disposal, and three medevac helicopters in

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2010-2011.

¶9. In 2008, Sweden opened its embassy in Kabul, establishing a permanent presence. The embassy is currently staffed by seven MFA employees who form the hub of a more active and coordinated Swedish assistance program. Sweden is working to increase its civilian presence in the four northern provinces for which it is responsible, providing \$57.5 million to Afghanistan in 2008 -- the largest recipient of Swedish assistance in Asia. Democracy, human rights and good governance programs received roughly half of these funds, most of which was doled out through the Afghanistan Reconstruction Fund. In 2009, Sweden expects to provide \$17.5 million in humanitarian assistance alone to Afghanistan.

¶10. Your interlocutors will be most interested in the Administration's Afghanistan-Pakistan policy and your thinking on regional security trends, including Russia. You may want to thank the Swedes for their important contributions to Afghanistan -- emphasizing both the development assistance and military support -- including in a public setting. On a proportional basis, Sweden is in the very top echelon of EU Member States in terms of the numbers

of troops and the amount of money dedicated to the effort in Afghanistan.

Kosovo/KFOR

¶11. Sweden has 260 troops in NATO's KFOR mission in Kosovo, and the government says they will remain through the end of the year. At the same time, the MFA thinks the mission needs to be calibrated to meet challenges on the ground, which are increasingly becoming "police work in nature." Consequently, Sweden welcomes the proportional shift with more police officers coming in as military troops depart. Sweden is tentatively planning to keep some military troops in Kosovo in 2010, but will look closely at taskings that come out of the June NATO defense ministerial to see whether it needs to change its deployments.

Nordic Defense Cooperation/High North

¶12. Nordic Defense Cooperation (NDC) is an initiative among the Nordic countries to enhance interoperability and capacity by pooling military resources and focusing on economies of scale. The Swedes, Finns, and Norwegians all say that NDC will not detract from their current commitments to NATO -- either as full members or Partnership for Peace members -- but will instead improve NATO commitments by increasing interoperability with NATO. Your interlocutors will likely raise NDC, as it is an important cost-saving initiative for the Ministry of Defense during the financial crisis. There is not yet an official USG policy position on NDC, though the issue has been discussed within the USG interagency in positive terms. Sweden does not border the Arctic Ocean and is therefore less focused on the High North than Norway, but it is interested in cooperating with its Nordic partners on security in the region.

Energy Security

¶13. Sweden views energy security and energy independence as a key priority during its EU Presidency. Sweden shares USG concerns over Russia's ability (and willingness) to use the threat of shutting off gas supplies to Europe as a geopolitical tool. Sweden believes that Europe should have access to diversified sources of energy and that the Baltic states must cooperate more closely with one another when it comes to energy. Sweden is pleased that the EU and the Baltic countries will fund Swedlink, a 700-1,000 MW undersea electricity cable from Sweden to Lithuania that will distribute power to all three Baltic countries. Swedish commentators have expressed concern about Russia's proposed Nordstream undersea gas pipeline to Germany that would bypass the Baltics and other Eastern European countries. The government must soon decide whether to grant a permit allowing Nordstream to transit Swedish Exclusive Economic Zone waters.

SILVERMAN